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BEFORE THE ARIZONA CORPORATIO

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Arizona Corporation Commission

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AZ CORP COMMISSION  
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IN THE MATTER OF (i) THE APPLICATION )  
OF GARY SMYTH, AN INDIVIDUAL, TO ) DOCKET NO. W-20689A-11-0252  
TRANSFER WATER SYSTEM ASSETS AND ) DOCKET NO. W-20810A-11-0252  
CERTIFICATE OF CONVENIENCE AND )  
NECESSITY TO TIERRA LINDA WATER )  
COMPANY, INC.; AND, (ii) THE )  
APPLICATION OF TIERRA LINDA WATER ) **APPLICANTS' RESPONSE TO**  
COMPANY, INC. FOR AUTHORIZATION TO ) **STAFF REPORT**  
ISSUE STOCK TO ACQUIRE SAID WATER )  
SYSTEM ASSETS AND CERTIFICATE OF )  
CONVENIENCE AND NECESSITY )

Gary Smyth and Tierra Linda Water Company, Inc. (collectively "Applicants") hereby submit their comments upon the April 23, 2012 Commission Staff Report which has been filed in the above-captioned and above-docketed proceedings.

Applicants are appreciative of both (a) the detailed analysis set forth in the aforesaid Staff Report, and (b) the Commission Staff's recommendation that the Commission approve both (i) Applicant Gary Smyth's request for approval to transfer water system assets and the related CC&N to Applicant Tierra Linda Water Company, Inc., and (ii) Applicant Tierra Linda Water Company, Inc.'s request for authorization to issue stock to Applicant Gary Smyth in connection with the aforesaid transfer. In that regard, the three (3) compliance conditions accompanying the Commission Staff's recommendation are acceptable to Applicants.

In addition, Applicants offer the following background information for consideration by the Commission. First, since acquiring the water system assets and related CC&N of Tierra Linda Homeowners Association, Inc. ("HOA"), Applicant Gary Smyth has been doing business as ("dba") Tierra Linda Water Company. The HOA has had no ownership or operating

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responsibilities with respect to the subject water system and CC&N since Mr. Smyth's acquisition of the same. In that regard, Applicant Tierra Linda Water Company, Inc. is a new corporation which Applicant Gary Smyth formed for the purpose of ultimately owning and operating the subject water system, once the requisite Commission approval has been obtained. However, that new corporation has had no ownership or operating responsibilities with respect to the aforesaid water system to date.

Second, since the filing of the Applications in the above-captioned and above-docketed proceedings, Applicant Gary Smyth acquired all of the common stock of Saguaro Water Company in approximately August of 2011. This information is provided as a supplement to the background information regarding Mr. Smyth which appears in the second paragraph of the "Background" section of Staff Report.

Dated this 7<sup>th</sup> of May 2012.

Respectfully submitted,



Lawrence V. Robertson, Jr.  
Attorney for Gary Smyth and  
Tierra Linda Water Company, Inc.

The original and thirteen (13) copies of the foregoing Response will be mailed for filing the 7<sup>th</sup> day of May 2012 to:

Docket Control  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

A copy of the foregoing Response will be emailed or mailed this same date to:

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